



## State of Wisconsin ● DEPARTMENT OF REVENUE

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### **Wisconsin Expected to Show Moderate Growth in Next Biennium**

Madison – The Wisconsin Economic Outlook report released today by the Wisconsin Department of Revenue suggests that Wisconsin will follow national trends and experience moderate growth through 2007. This growth is particularly strong given the \$600 million in tax cuts and property tax credits agreed to by Governor Doyle and the Legislature.

The Wisconsin economy is expected to maintain relatively strong income and employment growth, contributing to expected revenue increases of 3.6% in Fiscal Year 2008 (FY08) and 4.0% in FY09. Total personal income is expected to grow 5.4% in 2006, followed by slower but healthy growth in 2007 of 4.8% and 4.7% in 2008. Employment growth is expected to be 1.0% in 2006, slowing to 0.6% in 2007. The return to more normal growth trends should produce employment growth of 1.1% in 2008 and 1.2% in 2009.

A downturn in the housing market and a more cautious consumer has contributed to the national slowdown. However, business capital spending and exports are expected to support further growth.

“The Wisconsin Economy is feeling the impact of a slower national housing market, but our economy is well-positioned to reverse that trend and continue to show solid growth in the next biennium,” said Revenue Secretary Michael L. Morgan.

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Personal income growth will continue to outpace inflation by a strong margin, with real personal income growth expected to increase by 2.5% in 2006, followed by growth of 2.8% in 2007 and 2.7% in 2008.

The Outlook Report indicates that the strongest job growth will occur in the Education and Health Services and Professional and Business Services sectors. Jobs in Education and Health Services are projected to grow by 3.4% this year, followed by growth of 2.1% in 2007 and 2008. Jobs in Professional and Business Services are projected to grow by 2.3% this year, followed by growth of 2.1% in 2007 and 3.0% in 2008. Jobs in Leisure and Hospitality Services will show a healthy gain of 2.7% in 2006, but will be subject to slower growth over the next two years, projecting gains of 0.8% in 2007 and 0.9% in 2008.

The Outlook Report also includes estimates of General Purpose Revenues (GPR) for the current fiscal year and the upcoming biennium. It is expected that total FY07 GPR will increase 3.8% relative to FY06 to \$12.49 billion. This is \$69 million below the January, 2006 Legislative Fiscal Bureau (LFB) estimate for FY07. For the upcoming biennium, total GPR is expected to increase by a healthy 3.6% in FY08 and 4.0% in FY09.

Access to the complete Wisconsin Economic Outlook report is available at [www.dor.state.wi.us](http://www.dor.state.wi.us)

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